GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1139
ANSWERED ON:24.10.2008
DISBURSAL OF FARM CREDIT BY PUBLIC SECTOR BANKS
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Will the Minister of FINANCE be pleased to state:

(a) the details of farm credit disbursed by the banks during the last three years and the current year, region-wise;

(b) whether farmers from backward regions of the country including Orissa are facing difficulty in getting farm credit; and

(c) if so, the details thereof and the action taken by the Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) : The total amount of credit given to agriculture sector by banks during the last three years and the current year, region-wise, is detailed below :-

(Rs. Crore)

Sl. No.	Name of the Region	2005-06	2006-07	2007-08@	2008-09$
1.	Northern	50448.38	63458.00	21483.23	9470.04
2.	North Eastern	935.71	825.29	177.91	79.14
3.	Eastern	12216.27	15393.56	4365.24	1569.18
4.	Central	23133.65	31293.12	13536.77	4224.13
5.	Western	26177.93	33520.62	10418.13	4616.84
6.	Southern	63512.06	80212.63	18516.50	6452.74
7	Others	4061.57	4696.66	-	-
8.	Commercial Banks	-	-	175072.13#	53,296.76#
	Total	180485.57	229399.88	243569.91	79708.83

@ Provisional figures upto March, 2008
$ Provisional figures upto August, 2008

State/Region-wise figures are yet to be compiled.

(b) & (c) : There is no specific report which suggests that farmers from backward regions of the country including Orissa are facing difficulty in getting farm credit. The Government of India (GoI) has taken the following steps to ensure increased accessibility of credit for farmers :-

Since Kharif 2006-07, the GoI is providing interest subvention to Public Sector Banks (PSBs), Regional Rural Banks (RRBs) and Cooperative Banks on their own funds and concessional refinance to Cooperative Banks and RRBs through NABARD to ensure Short Term crop loans upto Rs.1 lakh in 2005-06 and upto Rs.3 lakh thereafter to farmers at an interest rate of 7% per annum at the ground level. To enable the lending institutions to continue disbursing crop loans at an interest rate of 7% per annum, in spite of increase in their cost of funds, the Government has increased the rate of interest subvention from 2% till 2007-08 to 3% in 2008-09.
Banks have simplified the procedure for documentation for agricultural loans.
Loans upto Rs.50,000/- have been made collateral and margin free and the requirement of 'No Dues Certificate' has been dispensed with.
Banks have been advised to provide all eligible farmers with Kisan Credit Cards.
Banks have been instructed to achieve financial outreach through provision of a General Credit Card to households, to open "No Frills" accounts with limited overdraft facilities, to extend financial outreach by utilizing services of Civil Society Organisation like Farmers Clubs, Non Governmental Organisations (NGOs), Post Offices as Business Facilitator/Business Correspondent Model, etc.